

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 01/14/2016  
**POSITION:** Oppose

**BILL NUMBER:** AB 1549  
**AUTHOR:** Wood, Jim

### **BILL SUMMARY:** Department of Transportation: fiber-optic cables on state highway rights-of-way

This bill would require the California Department of Transportation (Caltrans) to maintain an inventory of all conduits carrying fiber optic cables on state highway rights-of-way, and to make that information available upon request by verified companies or organizations working on broadband deployment.

### **FISCAL SUMMARY**

This bill would have a potentially large fiscal effect, as it would require Caltrans to create, maintain, and report on, in perpetuity, a large database. However, absent a greater understanding of the size of the effort required to meet the requirements of the bill, the total fiscal effect is uncertain.

### **COMMENTS**

The Department of Finance is opposed to this bill because it is unnecessary and unlikely to provide a major benefit in terms of increasing access to telecommunications.

The bill aims to create an inventory of conduits carrying fiber-optic cables on state right-of-way in order to facilitate the co-location of additional broadband installations. Currently, telecommunications providers can access the right-of-way to install conduit via the department's encroachment permit process. Caltrans does not keep a complete and up-to-date inventory of all existing conduits within its existing right-of-way. This is partially due to difficulty in obtaining information from utilities that perform work within the right-of-way, and partly due to a backlog in updating Caltrans encroachment permit data. Caltrans is currently exploring an update to the existing encroachment permit system and database, which would capture data regarding conduits carrying fiber-optic cables. As such, a legislative solution to this issue is unnecessary at this time.

Additionally, this bill would likely create an excessively expensive solution with an uncertain benefit. Caltrans already participates in the state's central database of state-owned, non-highway properties available for use by telecommunication companies, and has an active program to facilitate build-out of public and private wireless telecommunication systems. Requiring Caltrans to create, maintain, and report on a new database would likely duplicate efforts with these other programs, requiring Caltrans to spend resources on a database without a certain benefit above and beyond that provided by existing programs and databases.

Analyst J. Hacker	Date	Program Budget Manager Kristin Shelton	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

**AUTHOR**

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Wood, Jim

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	SO	(Fiscal Impact by Fiscal Year)							
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP					Fund		
Type	RV	98	FC	2015-2016	FC	2016-2017	FC	2017-2018	Code
2660/Caltrans	SO	No		----	See Fiscal Summary	----			0042
<u>Fund Code</u>	<u>Title</u>								
0042	Highway Account, State, STF								